# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:1295
ANSWERED ON:07.03.2008
FOREX DERIVATIVE NORMS
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**Will the Minister of FINANCE be pleased to state:**

(a) whether Reserve Bank of India (RBI) proposes to announce the Forex derivative norms; and

(b) if so, the details thereof and the time by when the norms / guidelines are likely to be announced ?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): In terms of announcement made by Reserve Bank of India (RBI) in its Mid-term Review of Annual Policy for the year 2006-07, it had constituted an Internal Group to review the existing guidelines on derivatives and formulate comprehensive guidelines on derivatives by banks. These guidelines are intended to cover broad generic principles for undertaking derivative transactions, management of risk and sound corporate governance requirements.

The work related to preparation of guidelines in respect of foreign exchange derivatives, is in progress and the guidelines will be placed by RBI on the web-site shortly for comments / feedback from the public.